



**ST. CLOUD STATE UNIVERSITY
G.R. HERBERGER COLLEGE OF BUSINESS**

**MGMT 462 – S01 & S02
SMALL BUSINESS MANAGEMENT**

COURSE OUTLINE – Fall 2010

INSTRUCTOR	Dr. Vernon Bachor (Vern)
TELEPHONE	320-308-3200
OFFICE	CH 485
EMAIL	vwbachor@stcloudstate.edu
OFFICE HOURS	Monday 08:30-10:30 & 13:00-17:00 Wednesday & Friday 08:30-10:30 or by appointment
WEBSITE	http://huskynet.stcloudstate.edu/d2l/
LECTURE LOCATION	CH 496
LECTURE TIMES	Monday Wednesday Friday S01: 11:00 – 11:50; S02: 12:00 – 12:50

COURSE DESCRIPTION

This course examines the practical aspects of managing a small business and examines the various functional components of a small business from an entrepreneurial and sustainability perspective. The primary focus of the course is on providing small business owners with information on how they can improve and better manage both potential and existing businesses. The key business areas of accounting, finance, marketing, human resources and general management will be addressed. The main focus of the course is the interviewing of a small business owner and the development of a business plan for managing a small business based on a case study. The course also relies on student participation with classroom discussion, guest speaker (hopefully), and case analysis.

COURSE OBJECTIVES

1. To develop a working knowledge of fundamental operating business management concepts, principles and frameworks
2. To create a business plan as tools to assess, create and communicate a business concept.
3. To learn to develop a holistic general management perspective to operate and grow a small business.

REQUIRED TEXTBOOK AND/OR MATERIALS

1. Scarborough, Norman M.; Zimmerer, Thomas W. and Wilson, Doug. *Effective Small Business Management: An Entrepreneurial Approach*, 9th Edition, Prentice Hall, 2009
http://wps.prenhall.com/bp_scarborough_esbm_9/

2. Additional handouts and materials may be posted during the semester on D2L, or will be made available via web links.

SPECIAL ITEMS

There are two initiatives I would appreciate and encourage everyone to participate in. Thank you in advance for helping to advance entrepreneurship knowledge.

1. Research is being conducted into Entrepreneurship Education in a multi university study lead by Dr. Doan Winkel an Assistant Professor of Entrepreneurship at Illinois State University. I will be sending out an email providing the details on how you can participate in this survey. <http://www.entrepeduc.org/>
2. The Foundation for Enterprise Development is conducting a multi university national essay contest of *Creating Wealth By Sharing Wealth*TM.

“The Creating Wealth By Sharing WealthTM National Essay Contest will capture the views of college students across U.S. campuses about using broad-based ownership and profit sharing (sharing the wealth principles) for starting up a company, motivating employees, and/or creating innovative and sustainable economies. By engaging young minds across the nation from a variety of schools, the FED will energize a national dialogue with this next generation on using share the wealth principles for economic recovery.”

Each student will receive a complimentary copy of the book *The SAIC Solution: How we built an \$8 Billion Employee-Owned Technology Company* and will choose one of three essay questions. A student can win cash prizes as well as a trip to the NCEO/Beyster Institute Annual Employee Ownership Conference (4/12/11 – 4/15/11). See <http://www.fed.org/education-essay-contest> for initial information.

CLASS PREPARATION & D2L

I will attempt to use the class time effectively and ask that you do the same; I will start on time and endeavour to end on time. I will also hand out name cards, which I would appreciate you placing in front of you during class. I frequently call on students to participate in class. Be prepared for this!

The course employs multiple methodologies such as case discussions, readings, lectures, written analyses, team projects, experiential exercises, and peer evaluations. The text and readings expose you to the latest issues, theories, and frameworks in strategic management. The class lectures outline and clarify these issues, theories, and frameworks. We spend a lot of time delving into real-world scenarios - in-class case discussions expose you to both the subjective and objective dimensions of managing a business. Finally, you will develop and test your collaborative skills in the context of a team project. Peer evaluations of team members will also be conducted in order to simulate the evaluation contexts we face in the business world.

This is a highly interactive course! It is imperative that each one of you is WELL-PREPARED on a DAILY basis to participate in class, by knowing the material and preparing your thoughts about it.

You are expected to read the assigned text chapters, readings, and cases before class, and be prepared for class discussion. Important information and additional readings are posted on D2L. Students should regularly check the Announcements section of D2L for ongoing notices.

I may not necessarily cover all of the materials in the chapter, but it is your responsibility to understand the concepts presented in the textbook and lectures. If you are unsure of any of the concepts, please take the initiative to ask me during class.

CONTACTING ME

Students requiring assistance are encouraged to speak to me during class or during office hours. Should you wish to meet with me outside of office hours, please email me to make an appointment. Students should get into the habit of making and keeping business appointments.

Email is the preferred method to communicate with me. However, it does limit the effectiveness of the communications and may not be the best way for me to answer your questions, especially those requiring an explanation of concepts covered in this course or some personal concerns. Therefore I may request a telephone call or personal meeting.

GRADE COMPONENTS

Class Participation	10%
Individual Assignment	10%
On line quizzes	20%
Interview A Small Business Owner (group)	20%
Business Plan (group)	40%
Business Plan 30% Presentation 10%	
Total	100%

Class Participation

The class participation grade (10%) will be made up of 3 components:

- Professionalism & contribution to the classroom sessions;
- Participation in in-class activities and
- Comments and Evaluations of the Presentations.

One of the main objectives of this course is to develop the ability to think creatively, to spark innovative thought—a skill that you will need beyond the classroom in your lives and careers. Passive listening is not very effective in developing creative thinking skills—therefore, class participation (preparation, curiosity and relevance—not quantity per se) is critical. You also need to learn to communicate your thoughts effectively. (If you come to class but do not participate, the maximum grade obtainable, but not automatically assigned, for this component is C).

The classroom is quite a benign place to participate in discussion and practice strategic thinking. I do call on students—not in order to embarrass anybody but help you develop thinking and communication skills—by asking for an example, an elaboration, a counterpoint, etc. It is hard to do this systematically, and typically those students who volunteer get more “air time.” Please remember that

effective communication is critical in the business world and that, if you have problems communicating (for example, due to shyness), this class provides you with the opportunity to tackle them. Please feel free to discuss any participation issues with me before it's too late and the semester is ending. I will do my best to assist you. Therefore, if you have difficulty participating in class, please see me early in the term so we can work out some ways to overcome the problem.

Participation grades depend on the quality and quantity of participation. Class discussion provides an important opportunity to develop strategic skills and your participation in these discussions will be weighted more heavily. I place less value on participation that primarily repeats facts without analysis or disrupts the flow of the class discussion without reason.

In evaluating your contributions, I use the following questions:

- (1) Are you a good listener? Do you listen and learn from others in class?
- (2) *Have you read the assigned material?*
- (3) Does your participation fit in with the flow of the class discussion and show that you have been listening and reacting to others' points?
- (4) Do you constructively debate points with other students? Do you provoke a dialogue with other students?
- (5) Do you present useful recommendations justified by your analysis and/or by the class discussion?
- (6) Do you help us to look creatively at strategic problems and solutions?

The following profile indicates the expectations for class participation at different grade levels:

- "A"—student is engaged (following the discussion and not surfing the net or working on other assignments, for example) for the entire class, offers good insights (or one excellent insight), asks helpful questions, builds on other students' or the instructor's comments, e.g., by elaborating or offering counterpoints, gives good examples.
- "B"—student is engaged for the entire class, and offers a few useful comments or questions, but not to the extent or at the level of "A".
- "C"—student is engaged in the class but does not participate verbally, beyond asking a simple question. Higher level participation will also result in this grade, if the student's engagement is only intermittent.
- "D"—student is present but not engaged in class.
- "F"—student is absent.

I may record class participation, so come WELL PREPARED and have your name card up in class.

**Individual
Assignment**

The purpose of the assignment is to develop a systematic method to understand yourself, an existing situation and to prepare you for the Develop a Business Plan group project. See the separate assignment document for further details.

On Line Quizzes

There will be 15 on-line open book quizzes that can be completed anytime during the term after the chapters have been covered in class. Each quiz will consist of ten (10) multi-choice style questions, will have a time limit of 20 minutes and must be completed in one sitting. The questions are taken from the publisher's

database of questions. Be sure to have read the material and be prepared.

Interview a small business owner

The group will select a small business owner and interview that individual. The interview is to be recorded and edited to a maximum of 20 minutes. The recording and a report that summarizes the group experience is to be handed in, see schedule for due date. See the separate assignment document for further details.

Develop a Business Plan

This course takes a hands-on approach to understanding small business management. Students will be assigned a business case and working in teams will develop a comprehensive business plan. In addition, the groups will present their business plan to the class.

In developing the business plan look beyond the situation and facts described in the case and consider all possible aspects utilizing the theories and frameworks studied. The plan will include as a minimum a complete set of financial statements (Income Statement, Balance Sheet, Statement of Cash Flow) for three years with all assumptions listed, investment required, company structure, marketing plan, operations plan, management team description, sustainability strategies, and exit plans. The business plan is to follow the Business Plan Format from the course textbook, pages 203 - 205. The maximum length of the written submission is 40 pages, including appendices but excludes cover page, table of contents, and any separation pages (12 pt font, double spaced, 1" margins). The cover page must have the names of the students and their student ID numbers. The report is to be uploaded into the D2L Dropbox labelled 'Business Plans' and must be submitted prior to 5 pm Monday December 13. Only one person in the group is required to submit the report. Late assignments will not be accepted, no extensions allowed.

Prepare a formal presentation of your group's business plan as if you are presenting to the company owners and potential investors. The content and quality of presentation must closely reflect the project team's written submission. Each person in the group is expected to participate in the presentation and members of the class are expected to attend all the presentations. The presentations will be in class during exam week, <http://www.stcloudstate.edu/registrar/students/registration/finals.asp>. Any person absent from the presentations, in total or in part, will receive an F as an individual mark for this assignment.

GRADE SCALE

A+ 91 - 100	A 86 - 90	A- 81 - 85
B+ 76 - 80	B 71 - 75	B- 66 - 70
C+ 61 - 65	C 56 - 60	C- 51 - 55
D+ 46 - 50	D 41 - 45	F 40 and below

GRADING NOTES
Group Assignments
and Peer
Evaluations

The majority (60%) of your grade in this course is based on group assignments. A group of five people will be formed through the use of the CATME system. Each student will receive by email an invitation from CATME to complete a group membership questionnaire by 5 pm on Thursday September 2. The groups will be formed in class on Friday September 3.

Group work should be a fun and worthwhile learning experience! Please ensure that you manage the process well. At the first group meeting, it is advisable to

identify two or three times per week when all members of the group can meet. If your group has significant “trouble” with one of its members, the group should confront the individual and discuss the problem and possible solutions in a reasonable and professional manner. Continuing problems should be brought to my attention as soon as possible (do NOT wait until the last few days before any project is due).

In addition to the formal group assignments, groups are encouraged to meet in study sessions and discuss each of the readings and cases before they are taken up in class. This helps to ensure you are adequately prepared, bolsters confidence and makes it easier to speak out in class.

As in the business world, all members of a team will normally receive the same grade for a given piece of teamwork. However, in this course, each member of a group submits two confidential peer evaluations (after the Interview a Small Business Owner assignment and after the Develop a Business Plan project) through the CATME system on the performance of his/her group members. Note: the peer evaluation does not substitute for taking timely and proactive steps concerning non-performing team members. Peer evaluations will be used to assess each student's contribution. I take the peer evaluations very seriously and the result of the evaluations will result in individual students receiving a lower grade (including failing) or higher grade (in limited cases) than other team members of the group for significant performance variances. Anyone not submitting a completed peer evaluation by the due date will receive no mark for the group project. Also, *if a student allows his/her name to stand on group work submitted in the course when in fact there was essentially no contribution made, then that student is guilty of academic misconduct.*

Case Analysis

The case study method is widely used in business schools to expose students to complex, real-world problems. Your group will complete a case analysis to create a business plan as the final group project.

A case is a slice of life and sets forth, in a factual manner, the circumstances surrounding a particular managerial situation or series of organizational events. Almost always, the case deals with real-life situations placing you at the scene of the action and asks you what you would do if confronted with similar circumstances. There is often ambiguous and incomplete information, which will be frustrating. Your task is to determine what the key issues/problems are and then to use whatever information is at hand to suggest how the company may solve those problems.

Here are some important guidelines for analyzing a case:

- (1) Read the case more than once. Figure out and explain what the most important issues are.
- (2) Conduct an analysis of the company's current situation as described in the case utilizing the frameworks and guides studied in the course.
- (3) Identify the best possible alternatives available to the company using the case data, logical reasoning, creative thinking, and conducting secondary research.
- (4) Define and explain the course of action that you think the owners/managers should follow. Your conclusions should fit logically with your analysis of the situation. Explain how the company may implement your strategic suggestions.

Expectations for Quality of Work

Students some times argue that there cannot be any right answers in business, or that everyone's answer should be equally valid. That is in fact false - if it were true, then every person with an idea would be equally good in achieving results, and there would be no performance differences between firms. However, it should be noted that as there are many different good strategies, there are many different good answers. Since in this course we cannot put our answers through a reality test, we have to rely on other evaluation criteria of your work - criteria that are good predictors of the effectiveness of your answers:

1. You have taken a clear stand or position (e.g., on a firm's recommended course of action). Management decisions cannot be made by being wishy-washy and without committing to a position.
2. You argue persuasively for your position. This means the following:
 - a) Your answer is substantiated with evidence. Arbitrary assertions that are not backed up do not persuade.
 - b) Your answer is thorough: all the relevant evidence, including financial information, is considered (and not only that which happens to support your position). This ensures that
 - c) Your answer is balanced. While it is necessary to take a position, you also need to show that you have considered all the relevant evidence and different alternatives.
 - d) Your answer is logical. You need to convincingly explain why one problem is more important than other, why one alternative is better than other, why you recommend something. This can often be accomplished by showing what principles apply and how.
3. The written report and oral presentation of your group's answer is clear,

concise and convincing (see points 1 and 2) incorporating good grammar.

Late Assignments	<p>Discuss potential late assignments or exam attendance issues with me well in advance of the due date. Late assignments are only accepted in extenuating circumstances and may receive the following penalties:</p> <table><tr><td>1 hour</td><td>During this grace period, late assignments will not be penalized.</td></tr><tr><td><24 hours</td><td>Projects late by more than one hour but less than 24 hours will be penalized 1/3 of a letter grade (e.g., from a B to a B-)</td></tr><tr><td>>24 hours</td><td>One full letter grade per 24 hour period (e.g. B+ to C+).</td></tr></table>	1 hour	During this grace period, late assignments will not be penalized.	<24 hours	Projects late by more than one hour but less than 24 hours will be penalized 1/3 of a letter grade (e.g., from a B to a B-)	>24 hours	One full letter grade per 24 hour period (e.g. B+ to C+).
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>24 hours	One full letter grade per 24 hour period (e.g. B+ to C+).						
USE OF TECHNOLOGY IN THE CLASSROOM	<p>The use of cell/smart phones, pagers, netbooks, laptops, tablets, and any other wireless communication devices during lectures and exams is prohibited unless otherwise indicated by me. Please turn off your communication devices before the beginning of each lecture.</p> <p>Surfing the Internet as well as engaging in any type of computer based electronic communication (e.g. gaming, email, text messaging, or instant messaging) during lectures is a distraction that can result in a lower final course grade. In this course there is a “class participation” component, it is within my discretion to determine the appropriate grade.</p>						
RECORDING LECTURES	<p>Recording of lectures and labs is permitted only at my discretion and only for individual private study. Any other use of recording constitutes Academic Misconduct and may result in suspension or expulsion. The student must receive explicit approval from me before recording lectures or labs.</p>						
ACADEMIC HONESTY	<p>It is the philosophy of St. Cloud State University that academic honesty is the accepted mode of conduct and academic dishonesty will not be tolerated in any form. All persons involved in academic dishonesty will be disciplined in accordance with University regulations and procedures. Discipline may include suspension or expulsion from the University. Scholastic dishonesty includes but is not limited to cheating, plagiarism, collusion, submission for credit of any work or materials that are attributable in whole or in part to another person, taking an examination for another person, any act designed to give unfair advantage to a student or the attempt to commit such acts. For complete details see http://www.stcloudstate.edu/studenthandbook/code/prohibited.asp</p>						

COURSE SCHEDULE – MGMT 462 Fall 2009 (draft – expect changes)		
DATE	TOPIC	Readings
Monday Aug 23	No Class – see D2L news for class assignment	
Wednesday Aug 25	Introduction and Course Overview <ul style="list-style-type: none"> Philosophy Expectations Overview and organization 	Course outline
Friday Aug 27	Small Business and the Entrepreneur	Ch 1
Monday Aug 30	S02: Forms of Ownership S01: MC 218 Library Resources	Ch 3
Wednesday Sep 01	S01: Forms of Ownership S02: MC 218 Library Resources	Ch 3
	<i>Thursday Sep 02 by 5 pm – Complete group membership questionnaire from CATME email invitation</i>	
Friday Sep 03	Sustainability and Small Business <i>Groups Finalized</i>	Jenkins (2006) “Small Business Champions for Corporate Social Responsibility” D2L link
	<i>Individual Assignment due by 5 pm Friday Sep 03</i>	
Monday Sep 06	Labour Day – no class	
Wednesday Sep 08	Establishing a Small Business Strategic Management	DVD Ch 2
Friday Sep 10	Strategic Management - continued	Ch 2
Monday Sep 13	Franchising	Ch 4
Wednesday Sep 15	Buying a Business Family Business	Ch 5 Ch 20
Friday Sep 17	Video Recording Equipment – Dr. Plamen Miltenoff S01: Cascade Room in Attwood <i>Final Project Case selected</i>	
Monday Sep 20	Feasibility Analysis International Studies - Study Aboard Programs	Ch 6
Wednesday Sep 22	Business Plan Development Write Place	Ch 6
Friday Sep 24	Financial Planning	Ch 7
Monday Sep 27	Financial Planning – continued Small Business Development Center (SBDC) – Barry Kirchoff	Ch 7
Wednesday	Cash Flow	Ch 8

COURSE SCHEDULE – MGMT 462 Fall 2009 (draft – expect changes)		
DATE	TOPIC	Readings
Sep 29		
Friday Oct 01	Cash Flow - continued	Ch 8
Monday Oct 04	In Class Group work time	
	<i>Monday Oct 04 by 5 pm – Interview a Small Business Owner Group Assignment due</i>	
Wednesday Oct 06	Guerrilla Marketing	Ch 9
Friday Oct 08	Guerrilla Marketing - continued	Ch 9
Monday Oct 11	Interview a Small Business Owner Presentations	
Wednesday Oct 13	Interview a Small Business Owner Presentations <i>Draft ToC & sections IV, V, & VI</i>	
Friday Oct 15	Fall Break – no class	
Monday Oct 18	Advertising and Promotion	Ch 10
Wednesday Oct 20	Global marketing	Ch 12
Friday Oct 22	E-Commerce and Entrepreneurship	Ch 13
Monday Oct 25	E-Commerce and Entrepreneurship - continued	Ch 13
Wednesday Oct 27	Pricing and Credit Strategies	Ch 11
Friday Oct 29	Pricing and Credit Strategies - continued	Ch 11
Monday Nov 01	In Class Group work time	
Wednesday Nov 03	Equity Funding <i>Draft sections VII, VIII, & IX</i>	Ch 14
Friday Nov 05	Guest Speaker Mathew D. Woodlee Senior International Trade Specialist U.S. Commercial Service U.S. Department of Commerce	
Monday Nov 08	Equity Funding Debt Funding	Ch 15
Wednesday Nov 10	Debt Funding – continued	Ch 15
Friday Nov 12	Guest speaker Mike Nelson Business Services Section MN Secretary of State	

COURSE SCHEDULE – MGMT 462 Fall 2009 (draft – expect changes)		
DATE	TOPIC	Readings
Monday Nov 15	Physical Facilities Supply Chain Management	Ch 16 Ch 17
Wednesday Nov 17	Supply Chain Management - continued	Ch 17
Friday Nov 19	Inventory Management	Ch 18
Monday Nov 22	Inventory Management - continued	Ch 18
Wednesday Nov 24	Staffing and Leading	Ch 19
Friday Nov 26	Thanksgiving Break – No class	
Monday Nov 29	Legal Environment	Ch 22
Wednesday Dec 01	Legal Environment – continued <i>Draft sections X, XI, XII, & XIII</i>	Ch 22
Friday Dec 03	Ethics and Social Responsibility	Ch 21
Monday Dec 06	In Class Group work time	
Wednesday Dec 08	Guest Speaker Ryan H. Anderson Assistant Vice President of Business Banking Bremer Bank	
Friday Dec 10	Course Wrap-Up! Presentation expectations	
	<i>Group Final Project Business Plans Due by 5 pm Monday December 13</i>	
Exam Week 10:15–12:45	Business Plan Presentations S01: Friday Dec 17 S02: Wednesday Dec 15	
	CLASS ENDS – ALL THE BEST!!	